COMMITTEE ON FINANCE
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BAUCUS TOUTS RECIPIENTS OF NEW BIOMEDICAL RESEARCH TAX CREDITS

Finance Chairman Fought to Include Funding In Affordable Care Act to Give Innovative Companies Tax Breaks, Promote Job Growth

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today applauded the award of the Qualifying Therapeutic Discovery Project tax credits announced by the U.S. Department of the Treasury. Baucus, along with his colleague Senator Bob Menendez (D-N.J.), fought for and secured $1 billion in funding for the tax credits in the new health reform law. With the tax credit, small biomedical research firms can offset up to 50 percent of the cost of cutting-edge scientific research. These small firms and startups often face enormous financial hurdles before they see steady growth due to the high cost of equipment and long period between the research and development stage and final product commercialization. The tax credits announced today will help firms create jobs as their products move into the market.

"Every boost these tax credits give means new, high quality jobs that will move our economy further along the path to recovery," said Baucus. **"The best minds in biomedical research are at work here in the United States, and these tax credits will help to guarantee their innovative work continues to save lives**. **Our focus is trained squarely on creating jobs and boosting the economy, and these credits help us meet that goal. Investments in biomedical research – a high-tech, 21st-century industry – will help keep American firms at the forefront of the field."**

Effective biomedical research can push the limits of modern medicine and make cost-prohibitive treatments affordable for all thanks to technological advancements. The tax credit recipients announced today are investing in every imaginable sector of medical research -- developing cancer treatments, vaccinations, infection-proof surgical tools, and many other examples of groundbreaking technologies.

Tax credit recipients had to meet a predefined standard in their research in order to receive funding. The firms had to demonstrate the potential to address unmet medical needs, produce new therapies, reduce the upward climb of costs or advance the goal of curing cancer within the next three decades.

In an effort to maintain growth, recipients were also considered based on their potential to create and sustain high-quality jobs in an industry considered to be a cornerstone of the 21st-century economy. Biotechnology companies employ 1.3 million workers, and with proper investment and seed money, today's small firm can become tomorrow's industry leader. The tax credits announced today will help young firms bridge the gap between the costly research and development stage and the final commercialization that will put products in hospitals and on pharmacy shelves.

Startups with promising research also had the option of requesting the funding as a grant rather than as a tax credit. These firms often do not turn a profit for long periods after their initial research stages and therefore may not benefit from an income-tax credit.

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